

## Reimagine HUL : Our Journey to an Intelligent Enterprise

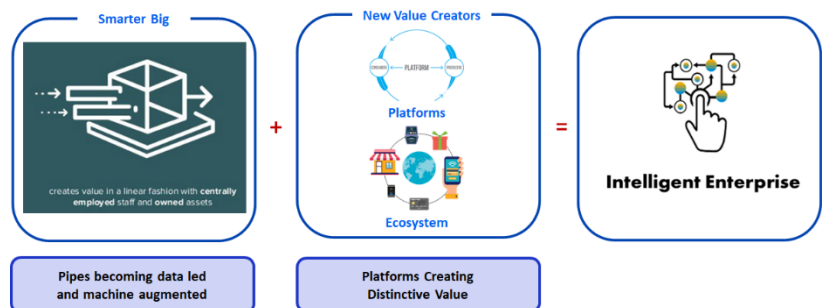
### 1. Digital Impact on Indian Landscape

India is undergoing a rapid transformation underpinned by digitization. It has over 800 Million internet users with over 90% of them accessing data wirelessly. Enabled by low data costs, consumers are increasing their time spent on digital. The digital India initiative launched by the government has turbo charged the digital adoption in the country. The government has enabled the regulatory, governance frameworks and created the highways with UPI, Aadhaar amongst others to accelerate this journey. This has led to creation of new business models, new consumer employment models, re-invented producer-consumer interactions across sectors and is projected to be a 1Tn contributor to economy by 2025.

### 2. Reimagine HUL – Journey to “Intelligent Enterprise”

In the FMCG industry, this is resulting in is a transformation of the ecosystems and market disruptions. We are seeing new ways of reaching consumers, of manufacturing, of logistics, data systems enabling real-time decision making and transforming the landscape.

To be at the forefront of such a changing ecosystem, we continue to put a big thrust on leveraging technology and data-led decision-making at HUL. With an integrated end-to-end organization change program across functions entitled ‘Re-imagine HUL’, our objective is to create a solution that is fit for the complexity of the business and the emerging consumer needs.



### 3. Intelligent Enterprise - Ecosystems

The program anchors on a connected ecosystem across consumers, customers and operations enabled by Data, Technology & Analytics at its core. This enables the development of modular inter-connected capabilities that allow us to create a friction less solution for superior experience while improving agility and responsiveness across the business.

#### (1) Consumer Ecosystems

The consumer journeys have become complex and interconnected. To meet the heightened consumer expectations in the interlinked shopper journey, the connected consumer pillar will shift our approach from a linear value chain to an iterative non-linear ecosystem. The three key capabilities are –

- **Agile Innovation:** A virtual hub that ensures always-on trend spotting, opportunity sizing, and translating the ideas into prototypes with digital simulations and real time consumer feedback.
- **Media:** A crafted mix that helps maximize reach and engagement in the most efficient and effective manner. This encompasses optimisation across differing mediums and vehicles enabled by real time data and analytics

- **Consumer Engagement Platform:** We have built multiple interconnected platforms that span the consumer journey from consideration to purchase. This covers the gamut from content hubs (Be Beautiful, Cleanepedia), consumer trial (Smartpick), and purchase (Direct to Consumer, Ecommerce) layered with communication through relevant digital mediums.

These capabilities come together seamlessly enabling us to land curated, on-trend innovations rapidly and give a holistic end to end consumer experience across multiple touchpoints. Brands such as AcneSquad, Find Your Happy Place are a few examples of how we have been able to create, manufacture, and deploy new innovations in half the time.

## (2) Customer Ecosystem

The distribution ecosystem is seeing significant disruption on the back of digitization. We continue to build competitive moats across demand capture, demand fulfilment and demand generation enabled by digitization of operations and amplified by data driven analytics, thus enabling a connected ecosystem.

- **Demand Capture:** Our e-B2B app Shikhar now reaches >1 Mn stores. We capture c.25% of our demand digitally across our future ready platforms. We are also closely partnering with the ONDC initiative and our UShop platform is now live on the platform.
- **Demand Generation:** Enterprise wide demand generation capabilities Direct to Consumer (UShop), enabling capital access (partnership with SBI), and organizational rewiring (Premium Beauty Business Unit).
- **Demand Fulfilment:** Along with the front end, we are wiring up the backend that ensures next day delivery at 95% line full (Samadhaan).

## (3) Operations Ecosystem

To drive agility and resilience for our business, combined with a reset in our asset and cost base with a focus on sustainable growth, our supply chain is undergoing a transformation across the verticals of Plan, Source, Make and Deliver. The end-to-end integration will be enabled through a Nerve Center approach which will combine the four verticals of Supply Chain to enable real time information flow and intelligent decision making to unlock business value. This has been recognized externally with The World Economic Forum Digital Lighthouse Factory award for our Dapada factory in the end to end value chain. Our nano factories, shop & deploy capabilities, redesigned manufacturing and distribution network enable greater agility and flexibility. Collectively, this will result in improved customer service, better efficiencies, and reduced costs.

## (4) Data, Tech & Analytics

Data is now treated as an enterprise asset. Underpinned by HUL Data Strategy, this integrates data from multiple internal (consumer, customer, operations) and external (GDP, weather) sources with focus on continued trust and security. To democratize data, we have built capabilities like Chanakya which combine disparate sets of data from trade, consumers, media, and financial data and helps analyze across multiple business levers. We have also built diagnostic and prescriptive capabilities like Jarvis which combine multiple levers to decode the performance and augment decision making capabilities.

## 4. Enablers

As we digitize our operations and consumer journeys, we are investing in right talent, creating new partnerships as well as an agile organizational structure to accelerate this journey. Digital is no longer restricted to each function nor is it an experiment. It is the very way of working in HUL.